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Alleviation of poverty, more jobs envisaged

Tk 38,600 cr outlay for Third Plan

By A Staff Correspondent

The National Economic Council approved on Tuesday the Third Five-Year Plan (TFYP), envisaging a total investment programme of Taka 38,600 crores (at 1984-85 prices) for 1985-90

The investment programme includes Taka 25,000 crores in the public sector and Taka 13,600 crores for the private sector. The domestic resources are projected to mobilise Taka 17,572 crores and the external resources Taka 21,028 crores for the overall investment financing over the TFYP period. The disbursement of external assistance has been estimated on the basis of exchange rate at Taka 26 for one U.S. dollar.

For the public sector, investment programme, the domestic resources will provide Taka 5,960 crores and external assistance Taka 19,040 crores. The share of domestic resources in private sector investments has been projected at Taka 11,612 crores and that of external resources Taka 1,988 crores.

The approval of the TFYP came at a meeting of the National Economic Council with President H.M. Ershad in the chair.

Planning Minister Mr Sultan Ahmed Chowdhury announced the salient features of the plan at a Press conference following the NEC meeting at the Planning Commission on the day.

The projected rate of GDP, (Gross Domestic Product) during the TFYP period is 5.4 per cent a year. In the terminal year of the plan the GDP will rise to Taka 42,710 crore at 1984-85 prices from Taka 32,884 crore in 1984-85. The plan envisages some changes in the structure of the GDP in 1989-90 from that in 1984-85. It projects that industries will grow at about twice the rate of GDP. The share of industries in GDP will increase from 9.5 per cent in 1984-85 to 11.9 per cent in 1989-90 and that of agriculture from 50.4 per cent to 40.9 over the same period.

The Planning Minister told the newsmen at the Press conference that the major objectives of the Third Plan would be to (1) reduce population growth rate from 2.4 per cent in 1984-85 to 1.8 per cent in 1989-90 (2) expand productive employment by providing additional job opportunities to 51 lakh persons and thereby bringing the number of total employed labour force in the economy to 244 lakh in 1989-90 (3) attain universal primary education, ensure human resource development and enroll 70 per cent of the primary age-group children by 1990, (4) develop the technological base for bringing about a long-term structural change, (5) attain food self-sufficiency and raise the levels of domestic foodgrain production from 161 lakh tons in 1984-85 to 207 lakh tons in 1989-90, (6) satisfy the minium basic needs of the people (7) accelerate the ocomonic growth rate and 8) promote self-reliance.

The Minister said that the AFYP would mark a basic departure from the previous development plans in terms of its special focus on poverty alleviation. He noted that the poverty alleviation was a national concern and it is in reflection of this need that special efforts would be made under the Third Plan to monitor closely the effect of development on various sections of the population.

The Planning Minister admitted that the projected 22.7 per cent increase in investments during the Third Plan over actual outlay of the Second Plan would require relentless efforts for domestic resource mobilisation. The Third Plan, he added assumes a somewhat slower rate of growth (3.1 per cent) of external resource inflow than it was during the Second Plan. (3.3 per cent). The country has already a large built up pipeline of project aid to draw upon in the Third Plan, he pointed out.

Replying to a question Mr. Sultan Ahmed Chowdhury said that about 45.5 per cent of the development outlay in the Third Plan would be financed from domestic resources. He stated that the projected level of surplus in the Revenue Budget during the Third Plan period would be around Taka 4,983 crore on the basis of tax and

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Third plan

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other rates existing during 1984-85 budget year. The plan has projected that total tax revenue of the government would increase at the rate of 8.5 per cent and non-tax receipts at 8 per cent annually while current expenditures would grow at the rate of three per cent in real terms.

Underscoping the importance of the stronger measures for mobilisation of domestic resurces, the Planning Minister said that efforts would be made to realise the overall target of revenue collection (tax and non-tax) at Taka 21,833 crores and capital recipts of Taka 977 crores at 1984.85 prices. The cumulative current expenditures of the government would be kept within the limit of Taka 16,850 crores at 1984-85 prices for generating domestic resources of Taka 5,960 crores for public sector investment financing. The third Plan will aim at keeping the inflation rate below 10 per cent per annum the Minister added.

Replying to a question about the political guidelines for the plan in the absence of a political government in the country, the Minister said that the plan was not a biblical document and changes could be made if the future political government wanted it to do so.

When asked about any study made by the Planning Commission about the quantum of black money in the economy which could be tapped for productive investments through appropriate fiscal changes, the Minister said that no such study had yet been done by the commission.

Resource Mobilisation Programme for Third Five-Year Plan (1984-85 prices)

(Taka in crores)

Source	total	Public Sector	Private Sector
Domestic Resources	17,572	5,960	11,612
External Assistance	21,028	19,043	1,9888
Total	38,600	25,000	13,600

Public Sector Development Financing Arrangement for Third Plan period (at 1984-85 prices)

(Taka in crores)

Total Current Revenue Reciepts	21,833
a) Tax	17,015
b) non-tax reciepts	3,345
Current Expenditures	16,850
Current Revenue Surplus	4,983
Capital Reciepts.	977
Domestic Resource Mobilisation for Public sector Development Financing	5,960